



Irish Life Weekly Investment Bulletin

The week that was – WEEK 36 (ending 02/09/2016)

"I'm not giving away any secrets like that to Tipperary. If I had my way, I wouldn't even tell them the time of the throw-in." – Ger Loughnane

Irish unemployment rate down to 8.3% from 9.1% a year ago – Latest data from the Central Statistics Office for August shows the seasonally adjusted unemployment rate at 8.3% compared to 9.1% in Aug 2015 but unchanged from July. The youth unemployment rate is 17.1%, compared to 20.5% in Aug 2015.

Irish / UK manufacturing picks up in August after July drop – The Investec purchasing managers' index (PMI) compiled by Markit Economics, rose to 51.7 in August from the 50.2 recorded in July following the Brexit vote. The UK PMI surprised with a jump to a 10-month high of 53.3 after the three-year low of 48.3 in July.

U.S. nonfarm payrolls rise less than expected – The Labor Department's monthly jobs report showed nonfarm payrolls rose by 151,000 last month compared to the 180,000 forecasted by Economists polled by Reuters. This may dampen the likelihood of an interest rate increase this month by the Federal Reserve.

Global stock market up 0.2% on the week – The World stock market (MSCI AC World) rose 0.23% from 26th Aug to 1st Sep as markets continued to second-guess the odds of an increase in interest rates this month. The best performing market was this year's laggard - Japanese NIKKEI - with a weekly increase of 3.5%.

IMF pushes for G-20 economic reform – International Monetary Fund Managing Director Christine Lagarde has appealed to Group of 20 leaders preparing for a meeting in China to support forceful economic reform or risk a "low-growth trap" with falling productivity, weakening investment incentives, low demand and high debt.

China's manufacturing sector picks up – The Purchasing Managers' Index (PMI) rose to 50.4 in August from 49.9 in July as it unexpectedly expanded at its fastest in nearly two years. Analysts had expected another reading of 49.9. The economy may be steadying in response to stronger government spending.

The Story of the week: An overweight monitor lizard ran away and made a break for it after being put on a strict diet and exercise regime. It emerged the lizard's new owners had allowed it out into the garden to try and get it to swim and do some laps around the garden to help it lose weight. It decided enough was enough and made its great escape from its enclosure in Kelsale, Suffolk. The 6kg reptile was reunited a week after going missing with the help of the RSPCA after being spotted by shocked passers-by hiding underneath a piece of corrugated metal.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 01/09)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-7.9
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	11.6
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-5.3
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	7.8
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	4.4
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-11.1
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	8.7
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	2.9
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.6
German	1.8	1.4	1.9	0.5	0.6	0.0
UK	2.0	1.9	3.0	1.9	1.9	0.7
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	0.5
Italy	7.1	4.6	4.1	2.1	1.6	1.2
Greece	31.7	12.7	8.2	9.6	7.9	7.9
Portugal	13.4	6.9	6.1	2.7	2.5	3.0
Spain	5.1	5.4	4.1	1.6	1.7	1.0
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.84
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.33
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	6.3 (to end of Q2)
U.K.	8.1	2.7	10.7	17.8	13.1	2.5 (to end of Q2)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

*Past performance is not a reliable guide to future performance